

Competing in a Revolution

MS-70

INPUT

Market Research and Consultancy

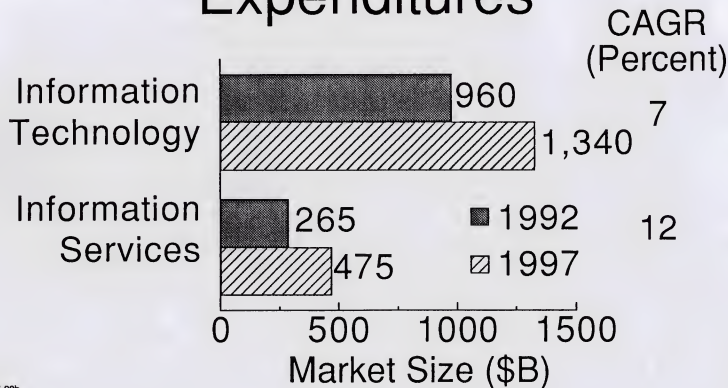
Information Technology and
Services Industries

20 Years in Business

Britain, France, Germany, Japan,
United States

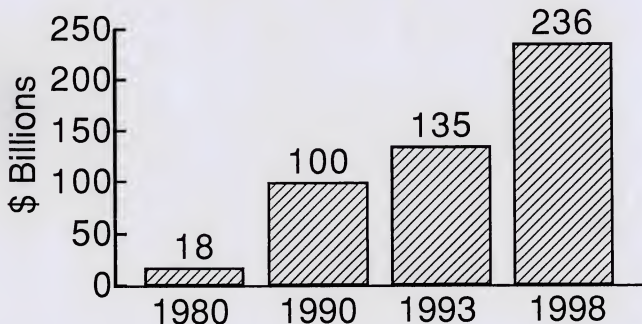
MS-6

Worldwide IT vs. IS Expenditures



WM-98b

U.S. Information Services Industry 1970-1998



MC3 BG-4

Technology

- More
- Cheaper
- Faster
- Smaller

-
- Impact of consumer electronics

MS-64
1/28/93

Technology Forecasts

- Printing 100 MIPS computer this decade
- Using 100 MIPS computers in hand-held devices
- Megabit transmission rates common and affordable

MACFC-PAC -11

Trends Affecting IT

- Aggregation/disaggregation
- Integration of IT and business operations
- Global competition
- Work migration
- Cost consciousness
- Legislation/regulation

ACCOR-10/13-1

Downsizing

- Enabling by technology
- Driven by organization factors
 - Positive, ownership
 - Negative, failures

Realized Benefits Post-Downsizing (Ranked from Survey Results)

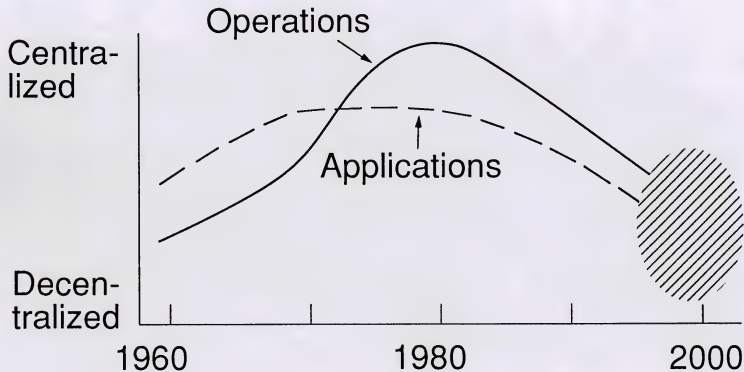
Rank	Factor
1	Improved user responsiveness
2	Broader range of choices
3	Faster systems development
4	More effective use of IT

Factors Inhibiting Downsizing (Ranked from Survey Results)

Rank	Factor
1	Data quality problems
2	Transition costs
3	Increased network complexity
4	Applications software not available

ID-106

IT Trends



ACCOR 10/13-8

User Requirements

- “80% solutions” today
- Convenient interface/access
- Training
- Rapid problem resolution

The Visualization Revolution

Third Generation Computer Access

- First generation—Characters, numbers
- Second generation—Icons, windows, graphs, charts
- Third generation—3D visualization

NS-76

IS Environment

“Old” Traditional	“New” Downsized
Mainframe	Client/server
Shared	Dedicated
Remote	Local
IS operated	User operated

ID 96

Changing Management Requirements

Data center mgt. → Distributed network mgt.

De facto IBM stds. → Heterogeneous stds.

Centralized dev. → Decentralized dev.

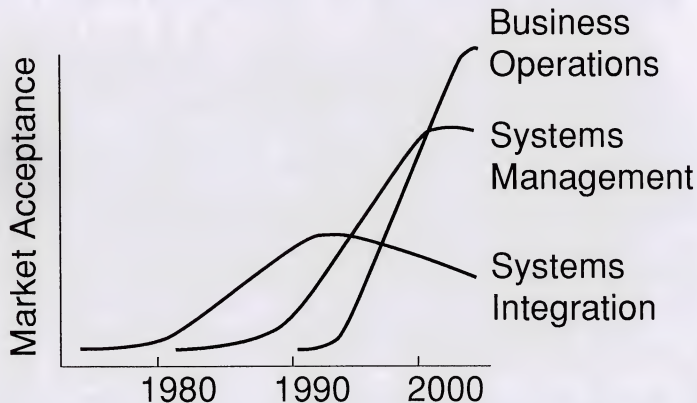
Centralized support → Distributed support

Cobol based sys. → New dev. environments

... Are users ready?

ID-108

Outsourcing Market Waves



IS-37

IS Outsourcing Areas

1. Systems operations
2. Applications management
3. Network operations
4. Desktop services

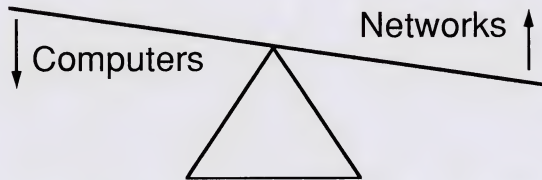
OU-7

Outsourcing Market Opportunities Impacted by C/S Shift

- New/existing system operations contract shrinks over time
- New opportunities for:
 - Network management
 - Desktop services
 - Applications management

OSP-PC-10

1990s Trend



NS-7

Networking Revolution

- Technology enabled
 - Bandwidth
 - Coverage
 - Mode (Digital)
- Driven by organization need
 - Connectivity
 - Electronic commerce

MACFC-PAC-5

The Network will Become the System

- Implications for users
 - Nodes are almost equal in power
 - Telecommunications skills are vital
 - IS management at many nodes
 - More complex systems design

NS-74

Electronic Commerce

Reorganization of Work

- Trading community wide
- Elimination of intermediaries
- Standardization of processes
- Alliances based on information technology

ED-34

Definition of Business Process Re-engineering

“The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed.”

- Michael Hammer and James Champy

THE HISTORY OF THE CITY OF BOSTON

Characteristics of BPR

- Questions everything
 - What company does
 - How company does it
- Disregards existing structures and procedures
- Targets only major improvements
- Focuses on process, not tasks

The BPR Continuum



BPRJN-8

Transition Management

- Requires outsourcer as agent of change
- Transition difficult to accomplish
- Transition takes time
- Dual operational environments required

ID-98



IS Organization in the 1990s

Not Centralized

Not Decentralized

Federated

Brought together "by agreement of each party to sublimate its power to the central authority in common affairs." - Webster

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- EDI/Electronic Commerce
- U.S. Federal Government IT Markets
- IT Customer Services Directions
- Multimedia Opportunities

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Research-based reports on trends, etc.
(Over 100 in-depth reports a year)

Frequent bulletins on events, issues, etc.

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Competitive analysis

Access to experienced consultants

Immediate answers to questions

DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
 - Procurement Plans (PAR)
 - Forecasts
 - Awards (FAIT)
- Commercial Application LEADS

CUSTOM PROJECTS

For Vendors—analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

OTHER SERVICES

Presentations to user groups, planning meetings, etc.

Acquisition/partnership searches

Newsletters

INPUT WORLDWIDE

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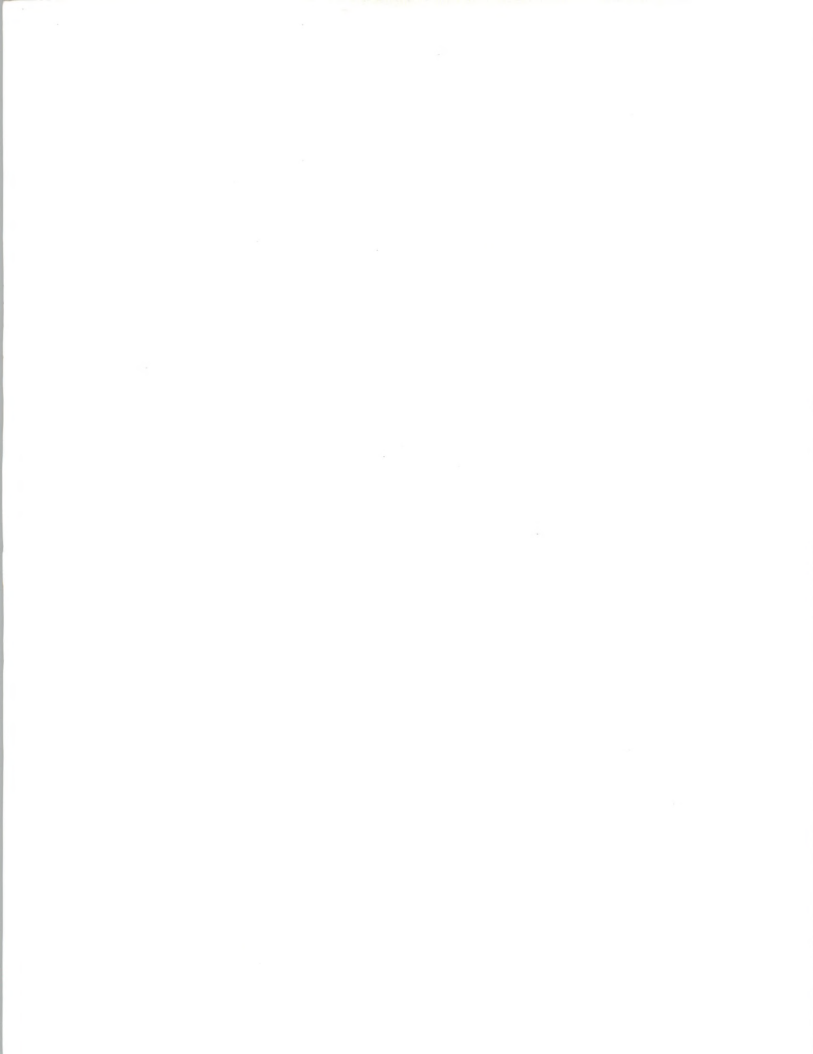
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Make fails but
do not bind and
distribute NS-75,77
Find out from Peter
if 78 should be
included



2/3/94

PAC Japan

2. Here is list of slides for my HCA presentation (Fails actually!)
Check with them for fails or slides!

<u>SLIDE #</u>	<u>TITLE/ID</u>	<u>#</u>	<u>TITLE/ID</u>
1	"COMPETING IN A REVOLUTION"	15-70 ✓	17 ID-108 ✓
2.	INPUT - MSG ✓	18	15-37 ✓
3.	WM 986 ✓	19.	OU-7 ✓
4.	MC3 BG4 ✓	20.	OSP-PC-10 ✓
5.	MSG4 ✓	21.	NS-7 ✓
6.	MACFC-PAC-11 ✓	22.	MACFC MACFC-PAC-5 ✓
7.	ACCOR-10/13-1 ✓	23.	MARIE 377 Make NS-74 (See slide) ✓
8	IS 94a. ✓	24.	ED-34. ✓
9.	MACFC-PAC-3 ✓	BPRJN-3/25	"DEFINITION OF BUSINESS PROCESS REENGINEERING"
10.	ID-107 ✓	BPR-26 ✓ 26	"CHARACTERISTICS OF BPR"
11	ID-106 ✓	BPRJN-8 27	"THE BPR CONTINUUM"
12	ACCOR-10/13-8 ✓	28.	ID-98 ✓
BPR-27 13.	"USER REQUIREMENTS"	29	1-42 ✓
14.	NEW - SEE ATTACHED	30	15-100 ✓
15.	ID 96 ✓	31	ACCOR 7/93-1 ✓
?? 16.	WN PC 15. ✓	32	" -2 ✓
		33	" -3 ✓
		34	" -5. ✓

CHANGE IS A PROCESS
- NOT A PROJECT.

Make up
- don't include.

VS -75

SLIDE 14

THE VISUALIZATION REVOLUTION - THIRD GENERATION COMPUTER ACCESS

FIRST GENERATION - CHARACTERS, NUMBERS

SECOND GENERATION - ICONS, WINDOWS, GRAPHS CHARTS

THIRD GENERATION - 3-D VISUALIZATION. VS-76

PRODUCT VS SERVICES ORIENTATION

- PRODUCT COMPANIES ARE INSIDE-OUT ORIENTED
 - SELL WHAT THEY MAKE
- SERVICE COMPANIES ARE OUTSIDE-IN ORIENTED
 - DETECT ~~REAL~~ PROSPECT NEEDS, THEN RESPOND

MAKE-UP
-
DON'T
INCLUDE.

VS-77

CALVIN

~~CONTENTS~~~~1. INTRODUCTION~~~~2. THE REVOLUTION~~~~3. CONCLUSION~~

I already had a
chart like this put in to

graphics - was it in the
"outsourcing strategies" report?

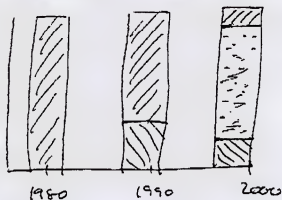
If so, use that if not where is
it? If you can't find it make this up.

APPLICATION CATEGORIES AND MODE
OF OPERATION.

CORPORATE

DEPARTMENTAL

PERSONAL



FRAME

CLIENT/SERVER

PERSONAL
COMPUTER

NS-78

SLIDE 2

INPUT

Market Research and Consultancy

Information Technology and
Services Industries.

20 ~~18~~ Years in Business

~~Europe, Japan, South~~

~~30 Employees~~

Britain, France, Germany, Japan, United States

MS-6

INPUT

Notes

PC Japan 2
BPR Japan JNBKP

SLIDE 25

What is Business Process Re-engineering?

INPUT

Definition of Business Process Re-engineering

"The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed."

- Michael Hammer and James Champy

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BPR-J-3

SLIDE 26.

Characteristics of BPR

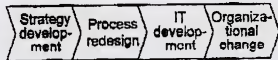
- Questions everything
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 - How company does it
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- Targets only major improvements
- Focuses on process, not tasks

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BPR-J-8

SLIDE 27

The BPR Continuum



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Key BPR Market Factors

INPUT

Key BPR Market Factors

- Large, complex projects requiring fast results
- Executive commitment to fundamental change
- Resistance to change
- Contribution of technology
- Predominant in North America, Europe

INPUT



SLIDE 13

User Requirements

- "80% solutions" today
- Convenient interface/access
- Training
- Rapid problem resolution

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13

BRP-27

IS Outsourcing Areas

1. Systems operations
2. Applications management
3. Network operations
4. Desktop services

INPUT

14

Why Re-engineer??

- Improve customer service
- Improve product quality
- Improve time to market
- Reduce cost base
- Desperation is the mother of re-engineering
- "Everybody's doing it"

INPUT

15

**Success Factors
in SI and BPR**

- Providing supporting/related services
 - Legacy systems management
 - Communications management

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16

Networking Revolution

- Technology enabled
 - Bandwidth
 - Coverage
 - Mode (Digital)
- Driven by organization need
 - Connectivity
 - Electronic commerce

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17

Industry Directions

INPUT

18

